HOW TO ACCELERATE...
BY BUILDING DIAMONDS

Introduction: Acceleration and diamonds
How to achieve the most with limited resources (people, funds)? This is one of the key questions in relation to acceleration. One of the mechanisms is: mobilise people to solve problems themselves. This ‘empowerment’ has always been an important concept in development aid, although, in practice, many NGOs provide direct aid (providing water and sanitation systems) to vulnerable people. Acceleration, achieving scale, is only possible if local resources are mobilised. Not only to achieve scale, but also to ensure sustainability and continuity on the long term (leave no one behind).

Building water and sanitation infrastructure is not easy. It requires clear government policies and monitoring, technical skills to build infrastructure, money to (pre)finance, operations and maintenance, etc. It is not something one institution / organisation can do by itself. There are various ways to develop cooperation between a number of stakeholders. Here we describe how to build ‘Diamonds’. First of all, because we are already building diamonds in the WASH Alliance and have experience with it. Last but not least, because the concept of building ‘diamonds’ is straightforward and easy to understand. ‘Building diamonds’ (or any other multi-stakeholder cooperation) is hard work and requires perseverance. But it is worth it, because: ‘diamonds are forever’!

Assumptions: building local institutions and a local WASH sector
A ‘diamond’ is a concept for building local stakeholder partnerships. A few underlying assumptions:

• What and why local?
‘Local’ relates to ‘a community able to mobilise sufficient resources to solve local issues’. The size of such a community depends on local circumstances: it can be a rural community, an area in a city, a city. The ‘diamond approach’ offers an immediate perspective for action to solve problems (‘if you work together you can do it yourself: today’) and therefore provides a short / medium term impulse for growth.

Other approaches focus on the central government and explain the central government that they should take action because citizens have a right to water and sanitation. No doubt that successful ‘lobby & advocacy’ campaigns resulting in country-wide policies and actions will provide acceleration. However, in practice, it may take years for results of lobby & advocacy are hardly visible for an individual citizen.

As always in development aid there are no ideal solutions. Therefore: ‘Think global, act local’. Continue lobby & advocacy with national government and international communities, but act local: build diamonds.

• Local solutions
On a local level, chains can be much better managed. E.g. in water, whereby the water-system is managed from water resource, usage (drinking water, agriculture, industry), to re-use. When building a governance and management system within a ‘watershed-region’ the local community can build and govern a system adapted to their own local needs. Solutions may differ: a rural community may want toilets with collection mechanisms that allow for the reuse of fecal sludge (e.g. as compost or for biogas). An urban community may need a different solution, starting with hygienic small toilets, a weekly collection service and a safe disposal. The diamond approach provides a framework for communities to develop local solutions for local problems.

• Local partners - identify unusual suspects
In many countries households and government are considered the key-stakeholders in WASH. However, from an acceleration perspective there may be some unusual suspects. E.g. think about partners from the business-side or about local finance partners (e.g. MFI’s, banks, investors):

• Businesses:
Businesses people want to earn money with their business. If people will spend money on water, toilets, hygiene, no doubt, businesses will emerge. Businesses in WASH have a lot to offer: supply (if people pay, they will deliver), in a competitive environment the service levels may increase (quality improvement, more choice for clients, faster supply, prices may come down, etc). A healthy market (with supply and demand) is key to acceleration. However, markets need to be developed and growth has to be managed. Checks and balances are needed (otherwise, indeed, exploitations may happen). The diamond model takes this into account and provides guidelines for a development of healthy markets.

• Financing partners:
For many years, poor communities have been depending on government budget and/or international donors. Consequently, nothing happened when these funds were not available. But why? Often, there is sufficient local funding available, for example people can pay for their own toilets and where needed funding can be mobilized bridge gaps, e.g. loans, supplier credits, etc. Mobilising local financing is key in the acceleration approach. The financing is there and it can be mobilised.

Diamond approach
The Diamond Business approach encourages and supports building local partnerships and cooperation with local authorities for scalable and sustainable provision of services for all. The core stakeholders in the Diamond Model are the private sector and its potential clients (households, landlords, municipalities, etc.) and organisations that ought to provide an enabling business environment (financial institutions and local authorities).
Other organisations, such as (local) NGOs, Universities and/or consultants, have facilitating or supportive roles in the programmes. These parties only provide support services to the core stakeholders who form the corners of the diamond as shown in figure 1.

See animation: [https://vimeo.com/99321519](https://vimeo.com/99321519)

**Diamond key-stakeholders**

The diamond strives to bring together the interest of each of the stakeholders and to create synergy: every stakeholder gets more than they have invested in the partnership. Overview of the core-stakeholders and their roles and responsibilities

**Demand/households:** Convinced of value of water and sanitation services, willing to purchase a service, are able and willing to pay (if needed supported by a loan or -for the very poor- with subsidy).

Two important notes:
- ‘Need’ is not the same as ‘demand’. In the diamond approach, the challenge is to translate a ‘need’ into a ‘demand’ from the household. In practice this means that a demand can be translated into action, e.g. purchasing a toilet. In the diamond approach, people or households are customers (demanding, active, independent people) rather than beneficiaries (more passive, depending, needing people)
- It is our experience that most people are able to pay for WASH services, either in one time or over time. For the very vulnerable people with no income at all, special arrangements need to be made. (See also the section about financing)

**Policy/government:** In the diamond model, government is local government. This is the city municipality, village chief, or other representative body. One of the key roles of the local government is to develop policies (e.g. everyone should use a toilet), create awareness and monitor policies (do people really have a toilet?). In this way the government stimulates the demand (a push strategy)

**Supply/business:** Businesses in WASH are almost non-existent in many countries. However, when money can be made, businesses could be excellent drivers of acceleration. This is one of the key bottlenecks that should be addressed in the diamond approach.

**Finance:** In most communities, there is sufficient local funding available: people willing to pay, local MFI’s / banks willing to provide loans. But up to recently, these resources were not tapped. Local financing starts with people willing to pay for their own services (with the exception of the really vulnerable people without any income).

**NGO’s:** Where is the NGO in the diamond? The debate is ongoing: some envision the NGO in the middle of the diamond, as a spider in the web. Others draw the NGO outside the diamond. In the Diamond concept, the NGO is explicitly allocated outside the diamond itself to stress the facilitating role of an NGO. Or in other words: the NGO has an important role to play to set up the diamond, to identify and motivate the key stakeholders, to organise the initial meetings, to organise training and coaching where needed, etc. Once the diamond is in place and functioning, the NGO’s role will be limited to watchdog or coach.
Cooperation and relationships between stakeholders

Each stakeholder has an own interest to make ‘diamonds’ work.

- Households/people: want access to clean drinking water, safe sanitation and hygiene
- Government: wants access to clean drinking water, safe sanitation and hygiene for their citizens
- Business: can earn a decent living by providing access to clean drinking water, safe sanitation and hygiene to their customers
- Financiers: can earn money by providing financing in the water and sanitation sector to their customers (both households and business)
- (NGO’s: can fulfil their mission of providing access to clean drinking water, safe sanitation and hygiene to the beneficiaries.)

Please note the words in bold: household/people, citizens, customers, beneficiaries. These are different words for the same people, only from a different perspective. The most important stakeholder in the diamond is the household, the customer. It all starts with a person and demand for a service.

Diamonds in practice

Building a diamond is not done overnight, but takes time (based on experience: about 12 – 18 months). It is important to take this time to allow for discussions, understanding of the various roles and responsibilities, and (very important) building mutual trust.

We have gathered experiences in case studies and video’s. For our inspiration:

- The Diamond Business Approach in Sanitation: a Malawi Case
- Case study Kenya
- Case study Bangladesh
- Case study Uganda
To create sustainable access to water and sanitation services, the Dutch WASH Alliance aims to facilitate the development of a functioning WASH market and public sector. In this reality, we:

- Support partner organisations that work on demand creation (amongst others)
- Involve WASH entrepreneurs and financial institutions
- Support the development of a working public sector

To do so, the Dutch WASH Alliance uses a unique approach called the Diamond Business Approach developed by WASTE (partner in DWA) and supported by Plan Netherlands. The aim of this approach is to change the system and enable it to start functioning autonomously. This is what we refer to as “system change”.

**WASTE’s Diamond Business Approach**

The Diamond Business Approach is based on an institutionalised method that is system-oriented and driven by demand and supply mechanisms. Core stakeholders are the private sector and its clients (households, landlords, municipalities) and organizations that enable the business environment like financial institutions and local authorities.

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**The story below explains how the business approach works.**

**Mary and her family regularly fall ill, because they don’t have a proper toilet. Mary wants to hire a local builder to build her one, and they offer her a good quote. But she needs a loan to pay for it.**

**John runs a local construction business. He sees growth opportunities in building many more toilets in Mary’s community. He needs a loan to pre-finance construction materials, equipment and staff.**

**Local banks can provide the information both Mary and John need to apply for a loan. Mary is eligible for a loan: she is ... John can get funding if he has a viable and convincing business plan. The local bank can help him to write one.**

**The municipality is officially responsible for facilitation of construction, planning and implementation of water and sanitation. They give out building permits and approve building sites in their community, including Mary’s toilets and John’s design.**

**The story below explains how the business approach works.**

**Also, business consultants are contracted to offer advice to sanitation entrepreneurs like John on how to operate a business, write a business plan or apply for a loan.**

**The diamond includes support to local authorities on how to improve their contribution to sanitation.**

**WASTE only offers support to stakeholders by staying outside the Diamond, because the interconnections need to be clear and strong, to ensure continuation of sanitation after the project has ended.**